

EXHIBIT A

Introduction:

Coda Development (CD) is now discussing with MPR for few weeks and received proposals for delivering of R&D for SIT. While Coda Development is developing other paths (Stream 1 and 2) which may bring alternative opportunities, Stream 3 will be the one that will bring to CD the highest control of the process, market introduction and have highest price per value ratio from all Streams.

CD will therefore give this Stream the highest priority and attention and is guided by following principle in this Stream:

- the R&D have to have ultimate parameters and have to be delivered by the supplier who have to be the best one. Once the supplier is identified Coda does not have to search for anyone else.
- There is not room for compromise in R&D parameters, the solution have to be the best one

We believe MPR will be the right one, we need few more clarification but wish to invest time necessary for this.

Finance:

Coda's current resources are limited and dedicated to ongoing activities/streams. Financing of Stream 3 needs to be done by new investor. While CD could reallocate some of the resources from existing activities, it doesn't make sense. Reallocation of resources would jeopardize current activities without certainty that Stream 3 will happen after Phase 0.

As future of Stream 3 depends on willingness of investor to finance whole project, CD will require investor to finance whole project since the beginning. For that it prepares „Package“. Should investor bring reasons why Phase 0 should be financed by CD, reallocation of resources will be reconsidered.

Package

Package will consist from part created by Cyrrus for CD. This part describes business opportunities related to SIT. For avoidance of any doubt, Cyrrus was contracted for creating BP before we spoke to MPR for the first time.

The second part of the package will be MPR's proposal. Those two parts will create full package enabling investor to commit to whole project.

CD understands that business agreement may be more costly for CD in this scenario (i.e. Investor will ask for more shares) but CD looks for ultimate solution right from the beginning and higher cost is acceptable. The package completeness will be checked by CD and MPR, adjusted if needed and provided to investors for their feedback. Should MPR identify something in the package is missing, CD will consider to purchase that piece. Should investor found something missing in package, MPR and CD will discuss conditions for adding this piece.

Investor

CD have partners and it believes they can be approached when package is ready. CD would like to encourage MPR to provide Package to its investors/partners should it feel comfortable with Package. While CD have potential investors to be approached, CD would prefer to be financed through MPR partners. The reasons are that MPR can benefit from helping its business partners and for CD it is important that MPR will be even more motivated to not to fail in project if it is financed through it's partners.

Time

ASAP. There is not need to wait or speculate once the right partner is found. CD already relied in past on business promises which disappeared due to the crisis. This will not happen again. As soon as partner is identified and money secured, the project will kick-off.



Time line:

Unfortunately there are gaps in BP developed together with Cyrrus and they need to be fixed. For now it seems that this BP will be delivered in beginning of October.

Comments and Questions to MPR's proposal:**Q&A's**

1. Please find comments/questions directly in the document in revision. Further please answer/consider following:
2. Investor is always looking for TCO (total cost of ownership), i.e. worst case scenario. Please provide price for whole project that will not be exceeded and MPR can commit to it. I believe that it is only price for testing missing or is there anything else. If so please provide full list of project pieces which were not part of quote.
3. You provide the following proposed cost:

Integration Technique	Phase Cost			
	Phase 0 – Product Definition	Phase 1 - Proof-of-Concept Development	Phase 2 - Functional Prototype Development	Phase 3 - Final Design and Transfer to Manufacture
Implementation 1 – Molded into Tire	\$90K	\$150 – 300K	\$300 – 600K	\$300 – 700K
Implementation 2 – Integrated into Rim	\$90K	\$150 – 300K	\$300 – 600K	\$300 – 700K
Implementation 3 - Independent Device	\$90K	\$100 – 250K	\$200 – 500K	\$200 – 500K
Implementation 4 – Integrated during retread	\$90K	\$100 – 250K	\$200 – 500K	\$200 – 500K
Cost of pursuing all 4 options in parallel	\$300K	\$400K – 1.2M	\$1M – 2.5M	\$1M – 2.7M

Further you expect that if you would do all 4 options independently, then the cost would be between \$2860K and \$6060K. If you do all of them in parallel, the cost would be between \$2700 and \$6700.

I would like to understand better the logic behind those numbers. **Please note that I am not trying to negotiate on price here I just see some trends which are not in line with my understanding of complexity of the project. I want to double check that we all have the same solution in mind and if not, what are the gaps in understanding. The same with point 4 and 5.**

	Check valve	Management device (box+ membrane)	Tube	Interfaces	Options*	
Tire	generic	Normal or Inverse	Specific T	Specific T	generic	
Rim	generic	Normal or Inverse	Specific R	Specific R	generic	
Independent	generic	Normal or Inverse	Specific I	Specific I	generic	
Retread	generic	Normal or Inverse	Specific T	Specific T	generic	

*options are pieces that will be considered during R&D as relevant/irrelevant and based on decision they will be developed or not. Options: release valve, electronic valve, electronic management device, air filter- textile, labyrinth..., dehumidifier etc.

Every option will have check valve more less same for all variants, the may slightly change in look but I don't think that this will cause any significant difference in R&D of them for different variants. For Management device there are two options, one for „normal“ circulation from tire to tire, or one for the „inverse solution“.

For tubing, there will be tubing specific for tire which will be similar on new and retread tire. Tubing for putting onto rim may be of different design and Independent device may have different design of tubing too. Anyway, critical for tubing will be cross section of the tube to allow repeated compression without destruction, and also material. Interfaces will be similar for new tire and retread, and may differ for tire and independent solution.

Options will be more-less similar across all options.

Q: I am trying to understand here, why developing of couple similar parts which will be similar across the options, does not lead to higher savings. I would expect that after first option is developed, the other alternatives should be very cheap. Especially in Proof of concept where we are using „of the shelf“ parts.

4. On high level you are saying that Tire=Rim > Independent device = Retread. In other words you expect that Independent device will be easier to develop then rim and that retread will be easier to develop and describe then the new tires.

Q: While New tire allows you to design the tire from scratch on retreaded tire you are limited with parameters of existing retreaded tire, therefore in case of retread I would expect the R&D cost to be higher, as you have smaller flexibility where to put the tubing. Further, in retreading the most critical part is considered to be the bead part. Retreading close the bead part will be challenging. I believe that new tire will be more easy to design and develop than the retread and related process.

The same with Rim vs Independent. Rim gives you nice solid platform where you can create channels and interfaces and so. Independent part has to be inserted into space which was not originally designed for that, also interfaces will be more challenging. Why our expectation differ here? Have you taken into account when creating quote such aspects as I described?

Comment: Rim should be rather easy, we know our playground very well (behavior of tire and rim) and all we need to is to fit SIT into that space. So creating SIT rim for one particular tire will require: 3D scanning of deformed tire and rim, CAD of tubing in this deformed space, and production of adjusted rim, then production of tube, management device and check valve and we are through. I think I might imagine it too simply, but could you explain me on this particular case what will happen in R&D so I have better understanding? What am I missing? We can do this in written or over phone.

5. Also you are expecting that product definition of 4 options independently will cost \$360K while all of them in parallel \$300K.

Q: here is similar question as in point 4. I would like to understand why 4 variants are almost 4 times more expensive while being identical to high extent. I probably need to better understand your original proposal for one variant, the new proposal for 4 variants for 90K and 4 variants for 360K.